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UNCLAS SECTION 01 OF 02 STOCKHOLM 000342

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SUBJECT: SWEDEN'S FOREIGN AID REFORM

REF: STOCKHOLM 204

¶1. Summary: Swedish Minister for International Development Cooperation Gunilla Carlsson told journalists on May 7 that Swedish assistance still has a "long way to go" when she presented a comprehensive report of development assistance. She commented that Sweden must prepare and monitor programs more efficiently. Carlsson said Sweden will:

- facilitate better measurement and evaluation of the impact of development aid,
- focus on results rather than targets,
- task SIDA to set up a unified system for evaluation of aid efforts and risk analysis by October 1, 2009,
- exert greater control over support to multilateral organizations,
- increase international cooperation with donors to perform evaluations.

End Summary.

Background

¶2. Sweden has one of the largest assistance programs in the world and is setting aside \$4.3 billion for international development cooperation in the 2009 budget. In 2008, Sweden was ranked as number two in a "Commitment of Development Index" by the Center for Global Development (the U.S. ranked number 17). The Organization for Economic Cooperation and Development (OECD) ranked Sweden as number one in the world, with an aid volume as a proportion of Gross National Income (GNI) of 0.98 percent in 2008, according to preliminary statistics.

¶3. In 2007, the latest year for which full figures are available, Sweden contributed some \$3.6 billion in official development assistance, which corresponded to 0.93 percent of GNI. The top four recipient countries of Swedish aid are in Africa with Afghanistan ranked at number five. While the Swedish MFA sets the overall amount of development assistance, SIDA has traditionally enjoyed a great degree of independence in determining how and where the money is spent. The current center-right alliance government will be watching SIDA much more closely to ensure Sweden's aid money achieves positive results.

¶4. After having spent a few years on tougher prioritizing, such as limiting the number of countries receiving development aid, and more efficient structures, Swedish

Minister for International Development Cooperation Gunilla Carlsson now aims to facilitate better measuring and evaluation of the impact of development aid. On May 7, Carlsson presented the first ever comprehensive report of bilateral and multilateral development assistance performance to the Parliament. The findings of the 150-page report present a thorough account of what Sweden's extensive foreign aid programs have achieved.

Must learn from our mistakes

15. Carlsson told journalists that Sweden must learn from its mistakes. Swedish development assistance has not been successful on all counts, according to Carlsson. "There are many good examples of development assistance initiatives that have made a difference to people's lives, but we still have a long way to go before we have development assistance that we can prove leads to long-term results," Carlsson opined.

16. To help achieve this, Sweden has trimmed the number of countries receiving development assistance from over 120 to slightly more than 30, and SIDA is to set up a unified system for evaluation of aid efforts and risk analysis by October 1, 2009, according to Swedish Director-General of International Development Cooperation Jan Knutsson. Knutsson underscored Carlsson's statement, adding that in addition to focusing on results rather than meeting targets, such as one percent of GNI, Sweden will concentrate on integrating political, civilian and military efforts more efficiently in conflict countries.

17. In 2007, the government began implementing more stringent

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monitoring and evaluation procedures designed to use performance data to make Swedish assistance more focused and more effective. Carlsson said the inaugural report shows the difficulties involved in describing the long-term effects of Swedish assistance activities, and that Sweden must learn from its mistakes. "We have not been sufficiently focused on results nor have we prepared and monitored programs and projects sufficiently," Carlsson opined. She added that Sweden has failed to pay enough attention to how projects improve quality of life for the poor.

Strengthen performance culture

18. Carlsson opined that it is impossible in many cases to establish a causal connection between a specific activity, or to change and identify a positive connection between development assistance and development itself. She stated that this inaugural report will enable Sweden to improve its performance reporting to Parliament and improve the management of development assistance. The government has urged SIDA to strengthen its "performance culture" by establishing a uniform system for results-based management and by focusing on expected and actual performance in the preparation and implementation of individual aid programs.

19. Carlsson commented that Sweden also needs to exert greater control over support to multilateral organizations and increase international cooperation with donors to perform evaluations. Anders Bengtson, Head of Department for Multilateral Development Cooperation at the MFA, stressed that Sweden uses up to 30 different indicators to evaluate Sweden's cooperation with multilateral organizations and is working hard to get Swedish representatives on the boards of these organizations.

SILVERMAN